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September 6, 2011

To: Hamilton Board of Selectmen
Wenham Board of Selectmen

Fr: Michael Lombardo, Hamilton Town Manager
SMART Work Group (M. Johnson, J. Chelgren, G. Clark, D. Mena, J. Tomasz, S. Patroliia, C. Dann)

Re: Solid Waste Program and Save Money and Reduce Trash (SMART)

The memo and presentation of August 24 provided a conceptual overview for evolving the current Waste Reduction Program to a form of pay-as-you-throw, which we are calling Save Money And Reduce Trash (SMART). This current memo provides additional details regarding what is being proposed and why we are proposing it.

What?

	Current	Proposed	
		Option 1	Option 2
Refuse Collection	Weekly - one free barrel	Weekly – fee for each bag disposed	Bi-Weekly – 1 free small bag/week
Recycling Collection	Bi-Weekly – homeowner separated	Weekly – Single stream/commingled	Weekly – Single stream/commingled
Curbside Organic	Weekly - Voluntary & additional cost	Weekly – No additional fee	Weekly – No additional fee

Why?

1. The current Waste Reduction Program is **not** producing results. My previous memo identified recycling rates for Hamilton of 30.3% and Wenham 33.9% based on FY2010 numbers. FY 2011 numbers are in and we have identified that Hamilton's recycling rate dropped further to 28%. Un-recycled trash is costing taxpayers in excess of \$52,000-\$90,000 per year.

2. National recycling data indicates that recycling rates often double under a pay-as-you-throw format, and this is corroborated by State data that identifies several PAYT communities with recycling rates well over 50 percent.
3. Mass DEP has established very aggressive goals relative to solid waste reduction and recycling. Based on their current Master Plan, there is a high degree of certainty that they will promulgate mandatory residential organic recycling within 5-10 years.
4. Curbside Organic Recycling under the current structure is not cost-effective and is unsustainable as a voluntary fee-for-service program. The Town's of Hamilton and Wenham have the opportunity to combine collection contracts into a single contract with the same vendor and expand curbside organic recycling town wide.

However, the mere provision of the organic bins alone will not incentivize organic recycling and some form of pay-as-you-throw is required to ensure participation.

5. Increased recycling, including organic recycling, will ultimately save money and reduce taxes.

	Current	Proposed	
		Option 1	Option 2
Refuse Collection	\$448,941	\$436,224	\$357,241
Refuse Disposal	\$193,728	\$113,267 - \$45,307	\$113,267 - \$45,307
Curbside Organic Collection	\$24,823	\$0	\$0
Curbside Organic Disposal	\$20,000	\$24,985 - \$49,971	\$24,985 - \$49,971
Net Costs	\$687,492	\$574,476 - \$506,209	\$495,493 - \$452,519
Trash Bags Net Revenue	(\$18,900)	(\$296,000 - \$222,000)	~(\$195,000)
Paid by Taxes	\$668,592	\$298,476 - \$284,209	\$300,493 - \$257,519

6. A successful organic recycling program is a good first step toward developing an Anaerobic Digester. The State is very interested in curbside organic recycling and the prospects of a regional-scale anaerobic digester facility. We believe the Hamilton Landfill is a viable site for such a facility, and the revenue implications are substantial.

Preliminary estimates identify annual gross receipts in excess of \$1.5 million are possible – we are actively pursuing an all-encompassing fatal-flaw study to identify the full market potential for this facility.